

# SYNOPSIS

## DEPARTMENT OF INSURANCE

### RULE 9

#### PRELICENSE EDUCATIONAL PROGRAM

DECEMBER 20, 2001

Rule 9 governs the prelicensing educational program for insurance agents, brokers and solicitors. It establishes the criteria to be met in order to be certified as a prelicensing educational provider and as an instructor. It also sets forth the educational requirements which must be met by a person prior to applying for a license as an insurance agent, broker or solicitor.

The rule lapsed by its own terms in June, 1992. Repromulgated December 1994 and amended December 20, 2001. The only amendments made were to Section 5 as regards the curricula, and (2) addition of language to Section 10 requiring that records be maintained in an electronic format.

James H. "Jim" Brown  
Commissioner of Insurance  
State of Louisiana

REVISED RULE 9  
PRE-LICENSING  
DEPARTMENT OF INSURANCE  
STATE OF LOUISIANA  
INSURANCE EDUCATION ADVISORY COUNCIL  
DECEMBER 20, 2001

- I. Purpose
- II. Authority
- III. Applicability and Scope
- IV. Effective Date
- V. Course Requirements
- VI. Provider Requirements
- VII. Instructor Qualifications
- VIII. Training Facility Requirements
- IX. Licensing Procedure of Applicant
- XI. Fees
- XII. Complaints
- XIII. Violations
- XIV. Expiration Date

I. The purpose of this rule is to implement Act 840 of the 1988 Regular Legislative Session by establishing curricula for courses of instruction required to be completed by applicants seeking insurance licenses in the State of Louisiana; to establish criteria for approval of providers of the courses of instruction; to establish a mechanism of examination and review of the performance and quality of the instruction.

II. This rule is issued pursuant to the authority vested in the Commissioner of Insurance, LRS 22:1191, and the Administrative Procedures Act, LRS 49:951 Et seq .

III. This rule shall apply to all applicants seeking a license as an insurance agent, broker or solicitor, who are required by statute to take an insurance examination. Further, this rule shall apply to the providers of the pre-licensing program and the instructors for said programs.

IV. The original effective date of this Rule was July 1, 1989. The effective date of the repromulgated Rule shall be December 20, 1994.

V. A. Life, Health and Accident

- 1. All applicants for life, health and accident licenses as an agent are hereby required to complete a course of instruction with a minimum of 16 hours of supervised instruction in a structured setting. If applying for a combination life, health and accident license all applicants must complete the full 32 hours of life, health and accident instruction.

2. The curricula for the life instruction shall include the following:

- A. Insurance Regulation
- B. General Insurance
- C. Life Insurance Basics
- D. Life Insurance Policies
- E. Life Insurance Policy Provisions, Options and Riders
- F. Annuities
- G. Federal Tax Considerations For Life Insurance and Annuities
- H. Qualified Plans

3. The curricula for the health and accident instruction shall include the following:

- A. Insurance Regulation
- B. General Insurance
- C. Health Insurance Basics
- D. Individual Health Insurance Policy General Provisions
- E. Disability Income and Related Insurance
- F. Medical Expense Plans
- G. Group Health Insurance
- H. Dental Insurance
- I. Insurance For Senior Citizens and Special Needs Individuals
- J. Federal Tax Considerations

B. Property and Casualty

1. All applicants for property and casualty licenses as agent, broker or solicitor are hereby required to complete a course of instruction with a minimum of 32 hours of supervised instruction in a structured setting.

2. The curricula shall include the following:

- A. Insurance Regulation
- B. General Insurance
- C. Property and Casualty Insurance Basics
- D. Dwelling Policy (Louisiana specific)
- E. Homeowners ('91) Policy
- F. Auto Insurance
- G. Commercial Package Policy
- H. Businessowners ('89) Policy
- I. Workers' Compensation Insurance
- J. Other Coverage and Options

C. Satisfactory completion of the instructional program. Upon completion of the prescribed course of instruction, the applicant shall be tested by the provider of the program.

D. Exemptions. The requirement for the completion of the instructional course does not apply to any applicant who is exempt from the requirement of an examination under R.S. 22:1167 or any applicant seeking authorization to write industrial fire insurance business only.

E. Concurrent instructional courses. When concurrent instructional courses for both life, accident and health and property and casualty are conducted, the repetition of ethical practices and other topics which are redundant shall be waived. However, this does not reduce the minimum required hours of instructional training set forth by the statute.

VI. A. Applications for program approval shall be submitted through the Department of Insurance to the Louisiana Insurance Education Advisory Council not less than sixty (60) days prior to the expected use of the program. Each instructional provider applicant shall provide the information set forth herein with its application in the format required by the Commissioner as set forth herein.

1. Course outline including a list of resource material used, training aids to be used, detail description of the program, and cost of the program to participants.

2. Schedule of locations where the instructional course will be offered, and schedule of classes depicting time and dates. Any change in the schedule of locations, dates or time of classes shall be filed with the Council no later than three (3) days prior to scheduled beginning date.

3. Completion of the Department's pre-licensing provider application for the initial certification of director/supervising instructor to be used in accordance with the requirements and qualifications of instructors set forth herein.

4. Description and location of the facilities to be used in accordance with the requirements set forth herein.

B. Once approved, the provider shall maintain detailed attendance records for all students for all classes for three (3) years following completion of the classes. The records may be reviewed by the Commissioner and the Council

C. The provider shall not allow credit for required hours for any class work which is not conducted under the direct supervision of the course instructor at the approved facility during scheduled classes.

VII. For the purpose of this section, a distinction of types of providers must be acknowledged when prescribing the specific required qualifications for instructors.

A. An insurance trade association as recognized by the Commissioner shall submit for approval the instructor who will be in a supervisory capacity. Said supervisory instructor shall provide the Council with qualifications for instructors to be used during the tenure of the

instructional course and shall assume the responsibility of assuring the quality of instructional course.

B. An insurance company admitted to do business in the State of Louisiana shall submit for approval the educational director holding educational responsibility for that company. Said director shall submit and have approved a supervisory instructor who may be delegated as the supervisory instructor in charge of the instructional course being given. Company personnel possessing expertise in specific areas of instructional topics will not have to be approved as an instructor. The director and/or supervising instructors holding educational responsibility for the company shall be responsible for assuring the quality of the instructional course.

C. The instructor charged with the responsibility for the instructional course at an accredited public or private college or university shall require approval by the Commissioner and the Council based in part on the educational background of the instructor and the insurance experience said instructor may possess.

D. Other organizations recommended by the Council and authorized by the Commissioner shall have a supervising instructor certified and assigned the responsibility of conducting the instructional courses. The approved supervising instructor shall be responsible for any other instructor or guest instructor and shall be responsible for assuring the quality of the instructional course.

E. All instructors must possess the necessary qualifications to enable them to teach the program and to present the instructional material. Special consideration may be granted by the Commissioner or the Council with Commissioner's approval where it is felt that the specific background of the instructor warrants such consideration. The qualifications for instructors shall include as a minimum the following:

1. For supervising instructors, five years of insurance and/or educational experience satisfactory to the Commissioner and Council.

2. Instructors will not be qualified who have received disciplinary action for insurance related practices by the Louisiana Insurance Department, the Insurance Department of another state, or any similar regulatory body or court.

3. The Commissioner shall have the authority to waive this requirement after a public hearing to determine the applicant's qualifications has been held and findings of such hearing warrant such a waiver.

F. For all instructors, except those specified in Section B of this part, the supervising instructor shall obtain and submit a Pre-Licensing Instructor Application form for each instructor who will participate in the instructional course

VIII. The provider shall furnish training facility descriptions when applying to become an approved provider of an instructional program. Minimum acceptable training facility characteristics are:

A. An atmosphere conducive to educational presentation, including good housekeeping, controlled environment as to heating and cooling, proper lighting, proper furnishing.

B. The facility shall be easily accessible and secure for the safety of the student.

C. The instructional area of the facility should be for the exclusive use for the instructional course while in session.

D. Readily accessible human needs should be considered when selecting a facility.

E. Training aids, overhead viewing equipment availability and a proper visual layout of the classrooms should be addressed.

F. In the event that proper facilities are not available as previously described, the provider shall furnish specific description of the available facility for approval by the Commissioner or the Council

IX. The Commissioner, Insurance Department staff and the Insurance Education Advisory Council shall have the authority to visit a training facility and review the provider's program at any time. Said visits can include the review of curriculum records, review of attendance records, and observation of instructional sessions in progress, which must be accessible at all times during instructions.

X. A. The required instructional course must be completed prior to the applicant's taking the insurance licensing examination administered by the Insurance Department. The applicant must have successfully completed the instructional course no more that 12 months prior to taking the examination.

B. The supervising instructor of the designated official of the program provider shall provide an original list reflecting each individual who has successfully completed the required course and shall provide a certificate of successful completion to each participant. The list shall contain the name, address and social security number of all successful individuals and must be forwarded to the Department of Insurance within fifteen working days of course completion.

C. The provider must also maintain computer records of course completion in a format compatible with Insurance Department specifications to facilitate the electronic reporting and transfer of attendance information from the provider to the Insurance Department.

XI. A certification fee of two hundred and fifty dollars (\$250) will be charged to each applicant seeking certification of a program of instruction qualify individuals to take an insurance agents licensing examination in the State of Louisiana. The Commissioner of Insurance may require the posting of a fidelity bond sufficient to safeguard the interests of consumers of this service, however in no event shall such bond exceed one hundred thousand dollars (\$100,000).

XII. The Commissioner or the Council at the direction of the Commissioner shall review all complaints lodged against the provider or instructor of the program; and such complaints shall be

lodged by a notarized affidavit of a student of said course. A hearing may be called for the purpose of investigating the complaint and/or taking necessary action to resolve the complaint. Any disciplinary action required shall be taken by the Commissioner in accordance with Part 29 of the Louisiana Insurance Code, LRS 22:1351-67.

XIII. Pursuant to the authority of the Commissioner, the approval of a provider's program of instruction may be suspended or revoked for violation of the rule set forth herein and/or any pertinent provisions of the Louisiana Insurance Code, LRS 22:1351-67.

XIV. A. The rule set forth herein shall be reviewed by the Insurance Education Advisory Council every three (3) years to determine if modifications to the Rule are necessary.

B. In the event modification of this rule is thought to be necessary, a notice of a meeting to consider the modifications recommended by the Insurance Education Advisory Council shall be given in accordance with the provisions of R.S.22:1354C.

JAMES H. "JIM" BROWN  
COMMISSIONER OF INSURANCE

lodged by a notarized affidavit of a student of said course. A hearing may be called for the purpose of investigating the complaint and/or taking necessary action to resolve the complaint. Any disciplinary action required shall be taken by the Commissioner in accordance with Part 29 of the Louisiana Insurance Code, LRS 22:1351-67.

XIII. Pursuant to the authority of the Commissioner, the approval of a provider's program of instruction may be suspended or revoked for violation of the rule set forth herein and/or any pertinent provisions of the Louisiana Insurance Code, LRS 22:1351-67.

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B. In the event modification of this rule is thought to be necessary, a notice of a meeting to consider the modifications recommended by the Insurance Education Advisory Council shall be given in accordance with the provisions of R.S.22:1354C.

JAMES H. "JIM" BROWN  
COMMISSIONER OF INSURANCE



APPENDIX 1  
PRE-LICENSING PROVIDER APPLICATION

TO: STATE OF LOUISIANA  
COMMISSIONER OF INSURANCE  
LICENSING DIVISION  
P.O. BOX 94214  
BATON ROUGE, LOUISIANA 70804-9214

APPLICATION FOR APPROVAL AS A PRE-LICENSING PROVIDER OF INSURANCE  
COURSES PURSUANT TO ACT 840 OF THE 1988 REGULAR LEGISLATIVE SESSION.

NAME OF PROVIDER \_\_\_\_\_

ADDRESS \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

(ATTACH THE ITEMS LISTED BELOW)

- 1) COURSE OUTLINE (GIVING TIME ALLOTTED TO EACH SUBJECT)
- 2) LIST OF RESOURCE MATERIAL
- 3) RESUME OF SUPERVISING INSTRUCTOR OR DIRECTOR
- 4) DESCRIPTION OF TRAINING FACILITIES TO BE USED
- 5) CLASS SCHEDULES AND LOCATIONS
- 6) COST TO PARTICIPATE

(PROVIDER)

\_\_\_\_\_  
(SIGNATURE OF PROVIDER REPRESENTATIVE)

\_\_\_\_\_  
(DATE)

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FOR DEPARTMENT USE ONLY

APPROVED BY: \_\_\_\_\_ DATE

DISAPPROVED BY: \_\_\_\_\_ DATE

APPENDIX 2  
PRE-LICENSING INSTRUCTOR APPLICATION

APPLICATION FOR APPROVAL AS AN INSTRUCTOR OF PRE-LICENSING INSURANCE  
COURSES PURSUANT TO ACT 840 OF THE 1988 REGULAR LEGISLATIVE SESSION.

PROVIDER \_\_\_\_\_

INSTRUCTOR \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_

OCCUPATION \_\_\_\_\_

QUALIFICATIONS \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I have \_\_\_\_\_ or have not \_\_\_\_\_ received disciplinary action for insurance related practices by the  
Louisiana Insurance Department, the Insurance Department of another state, or any similar  
regulatory body or court.

\_\_\_\_\_  
SIGNATURE OF INSTRUCTOR

\_\_\_\_\_  
SIGNATURE OF SUPERVISING INSTRUCTOR

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FOR DEPARTMENT USE ONLY

APPROVED BY: \_\_\_\_\_ DATE \_\_\_\_\_

DISAPPROVED BY: \_\_\_\_\_ DATE \_\_\_\_\_